

AMENDED IN ASSEMBLY APRIL 23, 2012

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

## ASSEMBLY BILL

**No. 2167**

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### Introduced by Assembly Member Hill

February 23, 2012

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An act to amend ~~Section 81428~~ *Sections 81434 and 81435* of the Water Code, relating to water.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2167, as amended, Hill. Bay Area Water Supply and Conservation Agency: financial matters.

Under existing law, the City and County of San Francisco operates the Hetch Hetchy Project as a regional water delivery system, supplying water to persons and entities in San Francisco and the Counties of Alameda, San Mateo, and Santa Clara. Existing law, the Bay Area Water Supply and Conservation Agency Act, governs the formation and operation of the Bay Area Water Supply and Conservation Agency by 24 public entities that purchase water from San Francisco. The act authorizes the agency to borrow money, incur indebtedness, and issue notes and bonds, including revenue bonds, as specified. ~~The act requires the agency to publish a notice in a newspaper of general circulation at least 15 days before the meeting at which issuance of revenue bonds is to be considered, as specified.~~ *The act authorizes the agency to make proceeds of bonds authorized by the act available to other local public agencies on mutually satisfactory terms and conditions to assist in the construction, reconstruction, or improvement of works designed and intended in whole or in part to furnish water to the members of the*

agency, whether those works are carried out jointly by the agency and other local public agencies, or solely by those other public agencies. The act further authorizes the agency to impose reasonable rates, fees, and charges on specified entities that are sufficient to generate revenue to pay the principal and interest on any bonds issued by the agency.

This bill would revise that provision relating to making bond proceeds available to other local public agencies to require that the bonds be for the purpose of assisting in the repayment of any existing capital assets, or in the construction, reconstruction, or improvement of works, if those assets were, or the works are, designed and intended in whole or in part to furnish water to the members of the agency, whether those assets were, or works are, carried out jointly by the agency and other local public agencies, or solely by those other public agencies. The bill, with regard to rates, fees, and charges, would authorize the agency to impose them as a surcharge collected by the City and County of San Francisco and transferred to the agency.

~~This bill would change the requirement that the agency publish a notice to instead require the agency to publish the notice at least 20 days before the meeting.~~

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 81434 of the Water Code is amended to
- 2     read:
- 3     81434. The agency may use proceeds of bonds authorized by
- 4     this division for the construction, reconstruction, or improvement
- 5     of any works carried out by the agency. The agency may also make
- 6     proceeds of bonds authorized by this division available to other
- 7     local public agencies on mutually satisfactory terms and conditions
- 8     to assist. *The bonds shall be for the purpose of assisting in the*
- 9     *repayment of any existing capital assets, or in the construction,*
- 10    *reconstruction, or improvement of works, if those assets were, or*
- 11    *the works are, designed and intended in whole or in part to furnish*
- 12    *water to the members of the agency, whether those assets were,*
- 13    *or works are, carried out jointly by the agency and other local*
- 14    *public agencies, or solely by those other public agencies.*
- 15    SEC. 2. Section 81435 of the Water Code is amended to read:

1 81435. The agency may impose reasonable rates, fees, and  
2 charges on Stanford University, the California Water Service  
3 Company, and the agency's member public entities for any program  
4 or service provided or work performed by the agency. The agency  
5 may also impose reasonable rates, fees, and charges on any other  
6 public or private entity that enters into a contract with the agency  
7 for use of any program or service provided or work performed by  
8 the agency. *The agency may impose those rates, fees, and charges*  
9 *as a surcharge collected by the City and County of San Francisco*  
10 *and transferred to the agency.* These rates, fees, and charges shall  
11 be at least sufficient to generate revenue to pay the principal and  
12 interest on any bonds issued by the agency ~~to carry out the work~~  
13 *in accordance with this division.* The agency shall be solely  
14 responsible for servicing the debt on any bonds it issues and the  
15 State of California has no responsibility for those bonds.

16 SECTION 1. ~~Section 81428 of the Water Code is amended to~~  
17 ~~read:~~

18 81428. ~~(a) The agency may issue revenue bonds upon the~~  
19 ~~adoption of an ordinance by a two-thirds vote of all of the members~~  
20 ~~of the board present and voting which also represents at least 51~~  
21 ~~votes determined pursuant to Section 81405. For the purposes of~~  
22 ~~issuing bonds pursuant to this subdivision, the agency need not~~  
23 ~~conduct an election or otherwise secure the approval of the voters~~  
24 ~~within the boundaries of the agency.~~

25 ~~(b) The agency shall publish a notice in a newspaper of general~~  
26 ~~circulation at least 20 days before the meeting at which issuance~~  
27 ~~of revenue bonds is to be considered and shall provide an~~  
28 ~~opportunity for public comments during that meeting and before~~  
29 ~~the directors vote on the issuance of those bonds.~~